

## § 1629.5

the act is committed, a court could afford recovery under a bond providing protection against fraud or dishonesty. As applied under state laws, the term "fraud or dishonesty" encompasses such matters as larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion, willful misapplication or any other fraudulent or dishonest acts.

### § 1629.5 Form of bonds.

Any form of bond which may be described as individual, schedule or blanket, or any combination of such forms of bonds, shall be acceptable to meet the requirements of this part. The basic types of bonds in general usage are:

- (a) An individual bond which covers a named individual in a stated penalty;
- (b) A name schedule bond which covers a number of named individuals in the respective amounts set opposite their names;
- (c) A position schedule bond which covers all of the occupants of positions listed in the schedule in the respective amounts set opposite such positions;
- (d) A blanket bond which covers all the insured's directors, officers, employees and agents with no schedule or list of those covered being necessary and with all new directors, officers, employees and agents bonded automatically, in a blanket penalty.

### § 1629.6 Effective date.

- (a) Each program shall certify in its Application for Refunding, beginning with the application for FY 1985 funds, that it has obtained a bond or bonds which satisfy the requirements of this part.
- (b) A copy of such bond or bonds shall be provided to the Corporation at its request.

## PART 1630—COST STANDARDS AND PROCEDURES

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SOURCE: 62 FR 68224, Dec. 31, 1997, unless otherwise noted.

### § 1630.1 Purpose.

This part is intended to provide uniform standards for allowability of costs and to provide a comprehensive, fair, timely, and flexible process for the resolution of questioned costs.

### § 1630.2 Definitions.

- (a) *Allowed costs* means a questioned cost that the Corporation, in a management decision, has determined to be eligible for payment from a recipient's Corporation funds.
- (b) *Corrective action* means action taken by a recipient that:
  - (1) Corrects identified deficiencies;
  - (2) Produces recommended improvements; or
  - (3) Demonstrates that audit or other findings are either invalid or do not warrant recipient action.
- (c) *Derivative income* means income earned by a recipient from Corporation-supported activities during the term of a Corporation grant or contract, and includes, but is not limited to, income from fees for services (including attorney fee awards and reimbursed costs), sales and rentals of real or personal property, and interest earned on Corporation grant or contract advances.
- (d) *Disallowed cost* means a questioned cost that the Corporation, in a management decision, has determined should not be charged to a recipient's Corporation funds.
- (e) *Final action* means the completion of all actions that Corporation management, in a management decision,